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President Reagan Admits Arms-for-Hostages Swap By His Administration and Says It Was 'a Mistake'

Skirts Apology in Speech, Accepts Responsibility; Says Staff Failed Him

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WASHINGTON—President Reagan last night acknowledged for the first time that his administration had swapped arms for hostages, and he concluded that "it was a mistake."

"A few months ago, I told the American people I did not trade arms for hostages," the president said in a televised address to the nation. "My heart and my best intentions still tell me that is true, but the facts and the evidence tell me it is not."

Many political advisers viewed the speech as a critical opportunity for Mr. Reagan to explain his role in his administration's secret arms sales to Iran and aid to Nicaraguan rebels. The 13-minute speech was among the president's most personal, and while he stopped short of admitting he had made mistakes himself, he came closer than he has in the past.



Ronald Reagan

The president sought to put the debacle behind him, arguing that "what should happen when you make a mistake is this: you take your knocks, you learn your lessons, and then you move on." But the investigations into the Iran-Contra fiasco are likely to continue into next year's election campaign, complicating Mr. Reagan's already troubled Central American policy, his efforts to combat terrorism, and faltering U.S. diplomacy in the Middle East.

As his advisers had urged, the president took overall responsibility for his failed policies. But he didn't apologize, and in keeping with his past statements, he denied knowing that money had been diverted from the arms sales to the rebels, said he hadn't intended to trade arms for hostages and blamed his staff for acting without his knowledge.

Defends Hands-Off Management

Mr. Reagan said he was "disappointed in some who served me." He blamed his aides' failure to keep "proper records of meetings or decisions" for his own inability to remember whether he had given advance authorization for Israeli sales of U.S. arms to Iran in 1985.

The president defended his hands-off management style, which the Tower Commission had criticized. He said his style had worked successfully during his eight years as governor of California and for most of his presidency. But he acknowledged that in the Iran affair, "my style didn't match its previous track record."

As he has done for the past four months, the president insisted that he had sold arms in an attempt to foster a strategic opening to Iran. But he conceded for the first time that "what began as a strategic opening to Iran deteriorated in its implementation into trading arms for hostages. This runs counter to my own beliefs, to administration policy, and to the original strategy we had in mind."

In the past, Mr. Reagan has staunchly defended the goals of his policy, criticizing only the execution. Last night he continued on this line, but included the possibility that his own concern for the hostages had contributed to the deterioration of that policy.

Last week, in its report, the Tower Commission blamed the president's "intense compassion for the hostages" for the fact that the administration continued selling arms to Iran over the objections of several top officials, and in the face of evidence that the strategy was failing.

"I let my personal concern for the hostages spill over into the geopolitical strategy of reaching out to Iran," Mr. Reagan said last night. "I asked so many questions about the hostages' welfare that I didn't ask enough about the specifics of the total Iran plan."

Mr. Reagan defended his 3½-month silence on the scandal, which political experts say has fueled concern that he no longer is fully in command. He claimed he was unable to speak out until the Tower Commission finished its investigation into the decisions he and his aides made. "The reason I haven't spoken to you before now is this: You deserve the truth. And as frustrating as the waiting has been, I felt it was improper to come to you with sketchy reports, or possibly even erroneous statements . . ."

The commission found, however, that the president had made incorrect statements based on misleading accounts of the Iran affair prepared by his staff. The panel, headed by former Sen. John Tower, also found that some of Mr. Reagan's most senior aides had made incomplete or misleading statements to Congress. The report also found that the president didn't seem to be "aware of the way in which the operation was implemented."

Demonstration of Command

Mr. Reagan's advisers have told him that in order to restore public faith, he

must demonstrate that he has taken command. Last night, speaking confidently, he said he was "taking action" in three basic areas "to put the house in even better order."

First, he stressed that he has brought "new blood, new energy, and new credibility and experience" to his administration. He praised his new chief of staff, former Sen. Howard Baker, but failed to mention his recently departed chief of staff, Donald Regan. He also praised his new national security adviser, Frank Carlucci, and newly named Central Intelligence Agency director, William Webster. He pointed out that nearly half of the National Security Council staff already has been replaced.

Second, the president said he has ordered the NSC to review all U.S. covert operations, and has issued a directive barring the NSC from undertaking secret operations of its own. "I expect a covert policy that if Americans saw it on the front page of their newspapers, they'd say 'that makes sense.'" The Tower Commission faulted the president and his staff for failing to plan for the probability that their secret operations would be revealed.

Third, the president said he is adopting the Tower Commission's recommendations on national security policy. The commission said no major changes in the structure of the NSC were needed, however, finding that "the NSC process didn't fail, it simply was largely ignored."

Mr. Reagan also vowed that in the future, "proper procedures for consultation with the Congress will be followed, not only in letter, but in spirit." But while Senate Majority Leader Robert Byrd (D, W.Va.) last night welcomed Mr. Reagan's "willingness to have a new working relationship with Congress," he faulted the president for not informing Congress about his Iran policy.

Senate Minority Leader Robert Dole (R, Kan.) said Mr. Reagan has "taken the first big step on the comeback trail."

Although his critics have suggested that he may be too old for the job, Mr. Reagan in his speech made a virtue of his age. "You know, by the time you reach my age, you've made plenty of mistakes if you've lived your life properly. So you learn. You put things in perspective. You pull your energies together. You change. You go forward."

Outsider Worked on Speech

The speech largely was written not by the usual team of White House speechwriters, but by an outsider to the administration, Landon Parvin. Mr. Parvin has written some of First Lady Nancy Reagan's anti-drug speeches as well as gag lines for a number of well-known Washington officials, including former

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Chief of Staff Regan. Mr. Parvin also wrote Vice President George Bush's widely praised speech acknowledging that "mistakes were made" in the Iran policy.

There was no official explanation about why the White House had farmed the speech out. But some presidential aides suggested that Mr. Reagan's State of the Union message Jan. 27 was so poorly received that Mrs. Reagan, among others, urged a new process, turning to someone who had successfully written for her.

White House speechwriters, who hadn't even been shown the speech before it was delivered, complained that, as one said, "Nancy's running the White House—we had nothing to do with it."

Yesterday, in a photo session with reporters, Mr. Reagan appeared defensive and angry over reports that his wife has been playing a powerful role behind the scenes, calling the reports "despicable fiction." When asked what he objected to particularly, he said "the idea that . . . she's being a kind of dragon lady. There is nothing in that."

A reporter asserted that Chief of Staff Baker, who was in the room yesterday with Mr. Reagan, was the one who had first used the phrase. Mr. Baker denied it. In fact, while he has acknowledged telling a reporter last Friday that Mrs. Reagan can be "a dragon when she gets her hackles up," he didn't use the "dragon lady" term that the president was complaining about.

Although Mr. Reagan's speech laid blame on his staff, he didn't criticize Marine Lt. Col. Oliver North, whom he fired from the NSC for his part in the affair. Asked yesterday if he still thought Col. North was a "national hero," as he declared on Nov. 26, the president replied, "His military record was one of numerous rewards for his courage."
